



STATE OF UTAH CONTRACT.

CONTRACT NUMBER: 039229

1. CONTRACTING PARTIES: This contract is between the following Agency of the State of Utah:

UDOT 810 AERONAUTICS
Agency Name Agency Code Division

referred to as STATE and the following:

CONTRACTOR: ROCKY MOUNTAIN PROPELLERS, INC.

LEGAL STATUS OF CONTRACTOR

2865 AIRPORT DRIVE
Name
Address

 Sole Proprietor
 Non-Profit Corporation
 X For-Profit Corporation
 Partnership
 Government Agency

ERIE CO 80516
City State Zip Code

DAVE HAMPEL 303-665-7905
Contact Person Phone Number

841472972 84788A 92908000000
Federal ID# Vendor Number Commodity Code(s)

2. CONTRACT TYPE AND PURPOSE:

Requirements contract to provide aircraft propeller and governor repair parts and services as per attachments.

3. PROCUREMENT: This contract is entered into as a result of the Procurement process on bid #DR4041
Requisition # RX 810 36000000179, FY 03.

4. CONTRACT PERIOD: Effective date: July 22, 2003. Termination date: July 21, 2008, unless terminated early or extended in accordance with the terms of this contract. Renewal Options (if any): NONE.

5. CONTRACT COSTS: CONTRACTOR will be paid a maximum of: \$99,999,999.99 for costs authorized by this contract.

6. ATTACHMENT A: Division of Purchasing's Standard Terms and Conditions.
ATTACHMENT B: Scope of Work. and Pricing
ATTACHMENT C: Special Terms and Conditions

Any conflicts between Attachment A and other Attachments will be resolved in favor of Attachment A.

7. DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:

A. All other governmental laws, regulations or actions applicable to the goods and/or services authorized by this Contract.
B. Utah State Procurement Code, Procurement Rules and Contractor's responses to Bid # DR4041 dated June 17, 2003.

IN WITNESS WHEREOF, the parties sign and cause this contract to be executed.

CONTRACTOR

[Signature]

Contractor's Signature

DAVE HAMPEL

Contractor's Name

GENERAL MANAGER

Title

STATE OF UTAH

[Signature]

Agency Signature

[Signature]

Division of Purchasing

CONTRACT RECEIVED AND

PROCESSED BY

DIVISION OF FINANCE

Division of Finance

Paul Rottmann

801-965-4078

801-965-4073

prottmann@utah.gov

Agency Contact Person

Telephone Number

Fax Number

E-Mail

JUL 22 2005

ENT'D MAR 08 2005

Revision date: 11/1/2000

DRP

1. **AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63-56, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the STATE to purchase certain specified services, and other approved purchases for the STATE.
2. **CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
3. **LAWS AND REGULATIONS:** Any and all supplies, services and equipment furnished will comply fully with all applicable Federal and State laws and regulations.
4. **RECORDS ADMINISTRATION:** The CONTRACTOR shall maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the CONTRACTOR for costs authorized by this contract. These records shall be retained by the CONTRACTOR for at least four years after the contract terminates, or until all audits initiated within the four years, have been completed, whichever is later. The CONTRACTOR agrees to allow STATE and Federal auditors, and STATE Agency Staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
5. **CONFLICT OF INTEREST:** CONTRACTOR represents that none of its officers or employees are officers or employees of the State of Utah, unless disclosure has been made in accordance with 67-16-8, Utah Code Annotated, 1953, as amended.
6. **CONTRACTOR, AN INDEPENDENT CONTRACTOR:** The CONTRACTOR shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the STATE to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the STATE, except as herein expressly set forth. Compensation stated herein shall be the total amount payable to the CONTRACTOR by the STATE. The CONTRACTOR shall be responsible for the payment of all income tax and social security amounts due as a result of payments received from the STATE for these contract services. Persons employed by the STATE and acting under the direction of the STATE shall not be deemed to be employees or agents of the CONTRACTOR.
7. **INDEMNITY CLAUSE:** The CONTRACTOR agrees to indemnify, save harmless, and release the STATE OF UTAH, and all its officers, agents, volunteers, and employees from and against any and all loss, damages, injury, liability, suits, and proceedings arising out of the performance of this contract which are caused in whole or in part by the negligence of the CONTRACTOR'S officers, agents, volunteers, or employees, but not for claims arising from the State's sole negligence.
8. **EQUAL OPPORTUNITY CLAUSE:** The CONTRACTOR agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the CONTRACTOR agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.
9. **SEPARABILITY CLAUSE:** A declaration by any court, or any other binding legal source, that any provision of this contract is illegal and void shall not affect the legality and enforceability of any other provision of this contract, unless the provisions are mutually dependent.
10. **RENEGOTIATION OR MODIFICATIONS:** This contract may be amended, modified, or supplemented only by written amendment to the contract, executed by the parties hereto, and attached to the original signed copy of the contract.
11. **DEBARMENT:** The CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the CONTRACTOR cannot certify this statement, attach a written explanation for review by the STATE.
12. **TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon 90 days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.
13. **SALES TAX EXEMPTION:** The State of Utah's sales and use tax exemption number is E33399. The tangible personal property or services being purchased are being paid from State funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract.
14. **WARRANTY:** The contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the contractor's skill or judgement to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.
15. **PUBLIC INFORMATION:** Contractor agrees that the contract will be a public document, as far as distribution of copies, and Contractor gives the STATE express permission to make copies of the contract and/or of the response to the solicitation in accordance with the State of Utah Government Records Access and Management Act. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, copyright information, or similar notation.

ATTACHMENT B: BID SPECIFICATION
Aircraft Propeller and Governor Repairs and Parts

1. This Contract is a five (5) year requirements contract for Aircraft Propeller and Governor Parts and Repair Services.
2. The Contractor must be, and all work must be performed by, factory approved and authorized service centers, and FAA certified repair stations.
3. The Contractor shall provide the following:
 - 3.1 Inspect, overhaul, repair or replace components, assemblies, blades and accessories on McCauley and Hartzell aircraft propellers.
 - 3.2 Services include Chromic Anodizing and Cadmium / Bake plating of propeller parts.
 - 3.3 Inspect, overhaul, repair or replace components on McCauley and Woodward propeller governors for piston engine aircraft, as well as Woodward 8210 series turbine engine governors. Services include chromatic anodizing, and alochrome of aluminum parts. Contractor shall bench test all governors to insure they meet manufacturers' specifications and are free of defects.
 - 3.4 Perform non-destructive testing to include: Magnetic Particle, Dye Penetrant and Eddy Current inspections.
 - 3.5 Complete and Certify that all Airworthiness Directives and applicable Manufacturers' Service Bulletins are complied with.
4. A one (1) year parts, service and workmanship warranty must be provided on all products and services.
5. Pricing Schedule:
 - 5.1 Rates for work, not on the price list, performed on McCauley and Hartzell propellers.
 - 5.1.1 Hourly Labor Rate \$ 65.00
 - 5.1.2 Estimated Air Freight from Salt Lake City to service location. \$ 135.00
 - 5.1.3 Estimated Air Freight to Salt Lake City from service location. \$ 135.00
 - 5.2 Rates for work performed, not on the price list, on McCauley and Woodward propeller governors for piston engine aircraft, and Woodward 8210 Series turbine engine governors.
 - 5.2.1 Hourly Labor Rate \$ 65.00
 - 5.2.2 Estimated Air Freight from Salt Lake City to service location. \$ 40.00
 - 5.2.3 Estimated Air Freight to Salt Lake City from service location. \$ 40.00

ATTACHMENT B: BID SPECIFICATION
Aircraft Propeller and Governor Repairs and Parts

5.3 Overhaul price list

Item	Description	Unit Bid Price
1	3GFR34C702D McCauley Propeller with boots	\$4,120.00
2	HC-B3TN-3M1 Hartzell Propeller with Boots	3,100.00
3	D3A34C404 McCauley Propeller with Boots	2,075.00
4	3AF32C521 McCauley Propeller with Boots	2,650.00
5	B2D34C217 McCauley Propeller	1,390.00
6	B3D32C407 McCauley Propeller	1,420.00
7	D3A34C403 McCauley Propeller	1,390.00
8	8210-024 Woodward Primary Governor	1,090.00
9	8210-007 Woodward Primary Governor	910.00
10	A210632 Woodward Over-Speed Governor	790.00
11	210638 Woodward Over-Speed Governor	940.00
12	8210-002 Woodward Primary Governor	910.00
13	8210-025 Woodward Primary Governor	1,090.00
14	210507 Woodward Over-Speed Governor	780.00
15	210631 Woodward Over-Speed Governor	940.00
16	210632 Woodward Over-Speed Governor	790.00
17	A210680 Woodward Piston Governor	700.00
18	A210710 Woodward Piston Governor	830.00
19	C290/T22 McCauley Governor	560.00
20	C290/T22 McCauley Governor with Flyweight Modification	920.00

5.4 Parts discount from list price = 10 %.

6. All work, parts or freight must be pre-authorized, in writing, by Kriss Richards, (801) 715-2271, Aircraft Maintenance Supervisor, Division of Aeronautics, Utah Department of Transportation

ATTACHMENT C: SPECIAL TERMS AND CONDITIONS

1. PRICING

The Contractor agrees that the prices bid on materials/services in this contract shall be guaranteed for two (2) years.

ANY CHANGE REQUEST ON PRICES MUST GUARANTEE THE PRICE FOR ONE YEAR, AND MUST BE MADE AT LEAST THIRTY (30) DAYS PRIOR TO THE REQUESTED EFFECTIVE DATE. ANY SUCH REQUEST MUST INCLUDE SUFFICIENT DOCUMENTATION SUPPORTING THE REQUEST. REQUESTS FOR CHANGE ON ANY PRICING IN THIS CONTRACT SHALL NOT BE EFFECTIVE UNTIL IT IS APPROVED BY THE PROCUREMENT MANAGER OF THE UTAH DEPARTMENT OF TRANSPORTATION.

2. WAGES

The Contractor shall be responsible for all applicable company wages in accordance with the federal, state, and local laws and ordinances.

3. INVOICING

THE CONTRACT NUMBER MUST APPEAR ON ALL INVOICES, BILLS OF LADING, PACKAGES AND ALL CORRESPONDENCE.

The Contractor shall submit invoices to:

Utah Department of Transportation
Aeronautics Division
135 North 2400 West
Salt Lake City, Utah 84116

The State reserves the right to adjust incorrect invoices.

The State will remit payment by mail.

4. NON-ASSIGNMENT

The Contractor shall not sublet, assign or transfer any part of the contract without prior written approval from the Procurement Supervisor or the Procurement Manager of the Utah Department of Transportation. The provision of monies due under this contract shall not be assignable without prior written approval from the Procurement Supervisor or the Procurement Manager of the Utah Department of Transportation.

5. INSURANCE

Prior to commencing work the Contractor shall provide the State with proof of insurance. The insurance policy shall provide coverage to the Contractor for bodily injury and property damage arising from the Contractor's negligent execution of the instructions, duties, obligations and projects assigned to it by the State. Liability and Property Damage Insurance Policy shall be \$1,000,000 aggregate minimum. The Contractor shall provide a Certificate of Insurance for each time period of this contract.

The Contractor shall provide adequate Fire and Comprehensive Insurance to cover the value of and the loss of use of the aircraft and other equipment used to fulfill the obligations of this contract.

All insurance coverage provided by the Contractor shall name the State of Utah, UDOT and its employees as additional insureds.

6. NON-COMPETE CLAUSE

The CONTRACTOR represents its officers and employees are free to contract with STATE and are not subject to restrictions by the terms of their present or past employment including, but not limited to an agreement not to compete for a period of time unless disclosure has been made. CONTRACTOR must disclose to the STATE any possible conflicts, in writing, before the contract is signed, and the STATE will evaluate whether to continue with contract

ATTACHMENT C: SPECIAL TERMS AND CONDITIONS

execution. STATE may elect to terminate a contract immediately with a CONTRACTOR who is subsequently determined to be subject to such restrictions without liability to the STATE. If the STATE elects to terminate a contract for this reason, the STATE will supersede paragraph #12 in Attachment A - Standard Terms and Conditions and will not provide 30 day prior notice to the CONTRACTOR.

7. COMPLETE DELIVERY

Delivery shall not be deemed to be complete until the goods have been actually received and accepted by STATE, including setup and testing if applicable, notwithstanding any agreement to pay freight, express or other transportation charges.

8. COMPLETE CONTRACT

This contract is intended by the parties as a final expression of their agreement, and supersedes all prior communications, representations and agreement, oral and written, between the parties with respect to the subject matter contained herein. The parties also intend this contract to be a complete and exclusive statement of the terms of their agreement. This contract may not be modified or terminated orally, and no claimed modification, rescission or waiver shall be binding on the STATE unless in writing, signed by a duly authorized representative of the STATE.

9. CONTRACTOR NOT AN AGENT

CONTRACTOR, including its agents and employees, is an independent CONTRACTOR and not an agent or employee of the STATE. CONTRACTOR is NOT authorized to represent and STATE expressly disclaims any liability resulting from such misrepresentation.

10. ACCEPTANCE OF GOODS NOT A WAIVER

The acceptance of goods described in this contract shall not constitute a waiver of any right of action that the STATE may have for breach of warranty or any other cause.

11. EMPLOYEE AUTHORITY

Individuals performing services for the Contractor shall have authority to coordinate the work of this contract with the State Representative(s). The State does not accept any responsibility for coordination and/or communication between the Contractor and the Contractor's employees.

12. EMPLOYMENT OF STATE EMPLOYEES

The Contractor agrees not to engage in any way the services, for use on this contract, of any present or former Utah State employee who was involved as a decision maker in the selection or approval processes or who negotiated and/or approved billings or contract modification for this contract.

13. FAILURE TO COMPLETE.

At any time the CONTRACTOR determines the contract work cannot be completed within the specified time or budget, the CONTRACTOR must notify STATE in writing, immediately. The STATE may, at its sole discretion, extend the contract by written modification.

15. FORUM FOR ENFORCEMENT.

Any controversy or claim arising out of, in connection with, or relating to this Contract or a breach thereof shall be settled by arbitration under the arbitration rules of the American Arbitration Association, Utah Board. The arbitration proceeding shall be governed by the Statutes of the State of Utah, and the proceeding shall be held in Salt Lake City,

ATTACHMENT C: SPECIAL TERMS AND CONDITIONS

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Utah. Anything to the contrary contained in the above mentioned rules and statutes notwithstanding, the parties consent that any papers, notices, or process necessary or proper for the institution or continuance of, or relating to any arbitration proceeding, or for the confirmation of an award and entry of judgment on any award made, including appeals in connection with any judgment or award, may be served on each of the parties by registered mail addressed to the party at the principal office of the party or by personal service on the party in or without the above mentioned state. The parties hereby recognize and consent to the above mentioned arbitration association's jurisdiction over each and every one of them.

16. DISPUTES.

Any dispute arising under this Contract, which is not resolved by the STATE and CONTRACTOR shall be decided by a court of law under the terms of Section titled **Forum for Enforcement**. Pending settlement of the final decision by the court, CONTRACTOR shall proceed diligently with the performance of the Contract in accordance with STATE's direction.